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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte CHARLES ERIC HUNTER,
BERNARD L. BALOU, JR.,
KELLY C. SPARKS,
and JOHN H. HEBRANK

Appeal 2008-004518
Application 09/707,273
Technology Center 3600

Decided: March 29, 2010

Before HUBERT C. LORIN, JOSEPH A. FISCHETTI, and
BIBHU R. MOHANTY, *Administrative Patent Judges*.

LORIN, *Administrative Patent Judge*.

DECISION ON SECOND REQUEST FOR REHEARING

STATEMENT OF THE CASE

The Appellants (Charles Eric Hunter et al.) have filed a second Request for Rehearing (filed Oct. 23, 2009, hereinafter “Second Request”), under 37 C.F.R. § 41.52, of the Decision on Request for Rehearing (mailed Aug. 25, 2009, hereinafter “Decision on First Request) granting the first Request for Rehearing (filed Apr. 17, 2009, hereinafter “First Request”). In the Decision on First Request, the Board determined that the points the Appellants raised in the First Request that they believed the Board misapprehended or overlooked in reaching its original Decision (mailed Feb. 19, 2009) were not persuasive as to error in affirming the rejections of claims 40-42, 48, 50, 52-54, 60, 62, and 64-71 under 35 U.S.C. §102(b) as being anticipated by Schulhof; claims 49, 51, 61, 63, and 72 under 35 U.S.C. § 103(a) as being unpatentable over Schulhof; and, claims 43-47 and 55-59 under 35 U.S.C. §103(a) as being unpatentable over Schulhof and McMillen. However, in reaching that determination, the Board modified the Decision’s claim construction analysis, thereby rendering the rationale for the rejections significantly different from that argued by the Examiner. Accordingly, in the Decision on First Request, the Board granted the First Request to the extent the position taken in the Decision was modified in the Decision on First Request. The Examiner’s decision to affirm the rejections was maintained, however, albeit the affirmance was denominated as new grounds of rejection under 37 C.F.R. § 41.50(b) given the modified reasoning.

In accordance with 37 C.F.R. § 41.52(a)(1), this Second Request includes certain points, in particular, that the Appellants believe the Board misapprehended or overlooked in reaching its Decision on First Request. The Appellants here challenge the Board’s reasoning in affirming the

Examiner's decision to reject the claims over the cited prior art and, as a consequence, the Appellants again seek reversal of the decision to affirm the Examiner's rejections.

We have reviewed the Second Request in its entirety but do not find the Appellants have shown the Board to be in error in deciding to affirm the rejections of the claims, denominated as new grounds of rejection under 37 C.F.R. § 41.50(b), as set forth in the Decision on First Request. Our reasons for so finding are enumerated in the DISCUSSION section below.

Before we get to the DISCUSSION, we make the following two observations.

First, section I of the Second Request (pp. 2-3; "I. Rejections challenged in Request I") attempts to clear up an inconsistency in the First Request noted in the Decision on First Request. This Section does not explain what the Appellants believe the Board misapprehended or overlooked in reaching its decision in the Decision on First Request as to this matter. Rather, it agrees with the position the Board took on the matter in the First Request.

Second, section III of the Second Request (pp. 5-7; "III. Board's "affirmance" of the Examiner's rejection") requests the Board change the decision in the Decision on First Request from one that affirmed the Examiner's rejections to one that reverses the Examiner's rejections while still entering the rejections as new grounds given the new rationale. We decline the invitation to do so for the following reasons.

The request is based on the desire to obtain a patent term adjustment for the time that the application has been on appeal. *See* Second Request, p.

5. The Appellants allege that they can be afforded an adjustment only if the Examiner's rejections are reversed. However, it is not an adverse decision of the Examiner under 35 U.S.C. § 6 nor have such matters been delegated by the Director to the Board to decide. Accordingly, we disagree that the Board misapprehended or overlooked this matter in reaching its decision in the Decision on First Request.

Also, we disagree with the Appellants' argument that the Board *must* reverse the Examiner's prior art rejection given that the Board has used a different rationale, notwithstanding the Board relies on the same references and under the same statute relied upon by the Examiner.

The use of a different rationale by the Board in support of an Examiner's rejection does not entail reversing the rejection, let alone require entering a new ground of rejection. It is not true that whenever the Board sets forth a claim construction that was not expressed in the same words by the Examiner, as in this case, that it then necessarily follows that the Examiner's rejection must be reversed and the claim construction be viewed as constituting a new ground of rejection. In *Ex parte Sami Chemicals and Extracts, Ltd.* (BPAI 2009) (informative), for example, the Board employed a claim construction that was not expressed in the same words by the Examiner and yet the Board not only affirmed the Examiner's underlying rejections but declined even to enter a new grounds of rejection. Whether the Appellants have had fair opportunity to react to the thrust of a rejection given a new rationale is a criterion for determining whether a rejection is to be considered a new rejection, but not necessarily determinative of whether the underlying rejection should be furthermore reversed. "[T]he ultimate

criterion of whether a rejection is considered ‘new’ in a decision by the board is whether appellants have had fair opportunity to react to the thrust of the rejection”. *In re Kronig*, 539 F.2d 1300, 1302 (CCPA 1976). When the statement of the rejection remains unchanged (*e.g.*, the claims are rejected under the same statute over the same prior art), the Board will affirm the decision of the Examiner but may enter a “new” ground of rejection if the reasoning is different. *See In re Kumar*, 418 F.3d 1361, 1368 (Fed. Cir. 2005), citing *In re Waymouth*, 486 F.2d 1058, 1060-61 (CCPA 1973) (holding that a new rejection had occurred where the Examiner and the Board rejected a claim for different reasons). When the Board uses a rationale arising from a claim interpretation that is different from the Examiner’s and which the Appellants may not have had an opportunity to consider, the Board will in such situations affirm the Examiner’s decision but follow an “abundance of fairness policy” (See *Ex parte Letts*, 88 USPQ2d 1854, 1859 (BPAI 2008)). To that end the Decision on First Request reflects the determination that the grounds on which the rejections of the claims were being maintained should be fairly designated as “new,” even though Decision on First Request sought only to strengthen and clarify the reasoning used in the Decision and not to change it. See Decision, p. 4. The grounds of rejection being designated as “new” in the Decision on First Request have remained the same since initially presented by the Examiner and are otherwise sound. That the Board has maintained the same grounds of rejection is evident when one compares the statements of the grounds of rejection listed in the “Grounds of Rejection to be Reviewed on Appeal” section of the Appellants’ Appeal Brief (p. 5) with those listed in the

Conclusion section of the Decision on First Request. Albeit the Decision on First Request supports the rejections with a “strengthened” (Decision, p. 4) rationale, the grounds of rejection as the Examiner has presented are otherwise identical. Thus, the Examiner’s decision to reject the claims as initially presented was properly affirmed but, in an abundance of fairness, denominated as new grounds of rejection. For the foregoing reasons, we see no error in the Board’s determination to affirm the rejections while denominating the affirmed rejections as new grounds of rejection.

DISCUSSION

Claim 40

The Appellants argue that the Board’s rationale in the Decision on First Request for finding Schulhoff anticipates the subject matter of claim 40 is in error. Two reasons are given: (1) “as claim 40 recites that the consumer’s recording of the music selection initiates the charging, it cannot be anticipated by a reference which teaches a consumer recording a music item after the consumer is charged for the music item” (Second Request, p. 3) and (2) “the Board errs in its reasoning that Schulhoff inherently teach recording the desired audio program immediately after automatically charging a credit card” (Second Request, p. 3).

Reason (1)

The Appellants argue that, given the Board’s reasoning, “Schulhof discloses “immediately” transferring the desired audio program to the portable device after the subscriber authorizes billing to his account.”

Second Request, p. 4 (Appellants' emphasis). According to the Appellants, this contrasts with claim 40 which "requires the consumer's recording of the music selection must at least begin before automatically charging the customer for the music selection." Second Request, p. 4.

The Appellants' arguments are unpersuasive. The Board has never argued that Schulhoff discloses recording *after* the subscriber is charged. The Board's discussion in the Decision on First Request was meant to address the Appellants' argument in the First Request that the Board did not properly construe the claim limitation "said charging triggered." First Request, p. 7. The, for example, that "[i]t is the act of recording the music that "triggers" or "initiates" the automatic charging of claim 40." First Request, p. 6. Appellants had further argued that it was this triggering mechanism that Schulhof did not describe. The Board's Decision on First Request sought only to explain how Schulhoff's recording did trigger an automatic charging of a credit card to the extent claimed, that is, "upon the consumer recording". Implicit in that explanation was the view that claim 40 and Schulhoff both broadly describe processes whereby a consumer records a music selection on a storage medium and the consumer is automatically charged for the selection "triggered upon the consumer recording". Other than showing that Schulhof describes automatically charging "triggered upon the consumer recording", the Board did not make any firm findings about the sequence of steps followed by either claim 40 or Schulhof.

The Appellants' present arguments are focused on the sequence of steps followed by claim 40 and Schulhof and seek to show a distinction

between them. But the arguments in favor of the distinction assume that (a) claim 40 limits the scope of the method to a particular sequence of steps whereby a music selection is first made by a consumer, the consumer then records the music selection on a storage medium, and subsequently the consumer is automatically charged, and (2) Schulhof discloses a method limited to a particular sequence of steps whereby a music selection is first made by a consumer, the consumer is then automatically charged, and subsequently the consumer records the music selection on a storage medium. But claim 40 does not limit the recording to begin before the consumer is automatically charged. While claim 40 does require the “charging [to be] triggered upon the consumer recording,” this can be accomplished by performing the charging and recording steps simultaneously. Likewise, Schulhof does not limit its method so as to require the recording to take place after charging. The passage in Schulhof at col. 5, ll. 5-20 (see FF 7 of the Decision, p. 5) lists a number of steps, including ordering and recording, with no mention that the consumer must be charged before recording can begin.

Because the assumptions underlying the Appellants’ arguments are not supported by the language in claim 40 or the disclosure in Schulhof, we are in turn not persuaded by Reason 1 that the Board’s rationale in the Decision on First Request for finding Schulhoff anticipates the subject matter of claim 40 is in error.

Reason 2

The Appellants take issue with the Board's view that Schulhof describes "instant recording of the selected desired audio program upon ordering" (Decision on First Request, p. 5). According to the Appellants, "Schulhof, col. 5, ll. 9-16 describes that, once the subscriber selects the desired audio program and authorizes billing, "high speed data transfer may begin immediately, or it may be deferred as desired.'" Second Request 4. We disagree.

The Appellants' characterization of the disclosure at col. 5, ll. 9-16 is not accurate. Schulhof does not state there that the transfer occurs after the subscriber selects the desired audio program and authorizes billing. The passage there does not state that the sequence of selecting the desired audio program, authorizing billing, and transfer must be followed in that order. One of ordinary skill in the art reading this passage would not be led to read into Schulhof a sequence of steps whereby the transfer must take place after ordering and billing authorization. One of ordinary skill in the art would read the passage exactly as it is written and in that regard Schulhof expressly describes ordering, authorizing billing, and "high speed data transfer may begin immediately." As we stated in the Decision on First Request, and which we maintain,

One of ordinary skill in the art reading Schulhof would understand Schulhof to be describing an operation whereby the selected desired audio programs are "immediately" recorded upon ordering. The ordinary and customary meaning of "immediately" is "without delay; at once; instantly". (*See Webster's New World Dictionary* 674 (3rd Ed. 1988.)(Entry 2. for "immediately."))

Since there is no dispute that Schulhof describes automatically charging a credit card triggered upon ordering an audio program and given that Schulhof describes the instant recording of the selected

desired audio program upon ordering, it logically follows that Schulhof necessarily describes “automatically charging a consumer for a music selection made by the consumer, said charging triggered *upon the consumer recording* the music selection on a storage medium located at a consumer site” as claimed.

Decision on First Request, p. 5 (emphasis original)

For the foregoing reasons, we are not persuaded by the Appellants’ arguments. Therefore, we are not persuaded by Reason 2 that the Board’s rationale in the Decision on First Request for finding Schulhoff anticipates the subject matter of claim 40 is in error.

Claim 40

The Appellants seek rehearing of the rejection of claim 43 for the reasons stated for claim 40. Second Request, p. 7. Accordingly, we will deny the request for rehearing as to claim 43 for the same reasons discussed above for denying the request for rehearing as to claim 40.

CONCLUSION

We have carefully considered the arguments that the Appellants have set forth in the Second Request but, for the foregoing reasons, we do not find them persuasive as to error in the decision to affirm the rejections of claims 40-42, 48, 50, 52-54, 60, 62, and 64-71 under 35 U.S.C. §102(b) as being anticipated by Schulhof; claims 49, 51, 61, 63, and 72 under 35 U.S.C. § 103(a) as being unpatentable over Schulhof; and, claims 43-47 and 55-59 under 35 U.S.C. §103(a) as being unpatentable over Schulhof and McMillen and denominate the affirmance as based on new grounds of rejection under 37 C.F.R. § 41.50(b).

Appeal 2008-4518
Application 09/707,273

DENIED

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